

April 11, 2012

**ITEM NO. A4**

**AUTHORIZATION TO ENTER INTO A CONTRACT WITH PAN-OCEANIC ENGINEERING CO., INC. FOR THE RENOVATION OF THE FIRE LANES AT DEARBORN HOMES (2960 S. FEDERAL STREET)**

To the Honorable Board of Commissioners:

**RECOMMENDATION**

It is recommended that the Board of Commissioners authorize the Chief Executive Officer or his designee to enter into a contract with Pan-Oceanic Engineering Co., Inc. in the amount of \$1,437,500.00 for the renovation of the fire lanes at Dearborn Homes, a Family housing development located at 2960 S. Federal Street in Chicago, IL. Work is to be completed by no later than one hundred eighty (180) calendar days from the date set forth in the Notice to Proceed.

**RECOMMENDATION SUMMARY**

Funding: General Fund

Specification No:	12 – 00884
Vendor:	Pan-Oceanic Engineering Co., Inc. 8501 W. Higgins Rd., Suite 630 Chicago, IL 60631 (773) 601 - 8408
Contract Type:	Construction Services
Contract Amount:	\$ 1,437,500.00
Number of Vendors Solicited:	776
Assist Agencies:	64
Date Advertised:	January 31, 2012
Pre-Bid Conference:	February 9, 2012
Site Visit:	February 9, 2012
Addendum No. 1:	February 13, 2012
Addendum No. 1:	February 22, 2012
Date Bids Opened:	March 1, 2012
Number of Pick-Ups/Downloads:	48
Number of Bids Received:	6
Advertisement Publication(s):	Chicago Sun-Times, Chicago Defender, Extra, CHA Website, BuySpeed Online
Contract Time:	One hundred eighty (180) calendar days from the date set forth in the Notice to Proceed

**M/W/DBE Participation:**

Direct MBE 17 % WBE 0 % DBE 83 %

**Section 3:**

Hiring # 2 Subcontracting \$ \_\_\_\_\_ Other Economic Opportunities \_\_\_\_\_

## **GENERAL BACKGROUND**

Dearborn Homes, a Family housing development, consists of six hundred sixty-eight (668) units completed in 1948. Located on 16 acres of land, the property has sixteen (16) midrise buildings, twelve (12) residential buildings that are six (6) stories in height with basements, and four (4) buildings that are nine (9) stories in height without basements.

## **GENERAL REHABILITATION PROJECTS**

Starting in 2007, through 2011, the development received a comprehensive “gut” rehabilitation, including replacement of all building systems. As a result, the development should require minimal capital investment in the near term. A summary of the work follows:

2007-08 – Phase 1, full gut/rehabilitation and site work (2 buildings, 78 units for \$20.7 million).  
2008-09 – Phase 2, full gut/rehabilitation and site work (3 buildings, 124 units for \$31.7 million).  
2009-10 – Phase 3, full gut/rehabilitation and site work (3 buildings, 128 units for \$28.4 million).  
2010-11 – Phase 4, full gut/rehabilitation and site work (4 buildings, 172 units for \$32.5 million).  
2010-11 – Phase 5, full gut/rehabilitation and site work (4 buildings, 166 units for \$29.2 million).  
2011 – Computer Lab build out at 2910 S. Dearborn for \$180,000.00.

Total improvements to date = \$142.68 million.

The Asset Management and Capital Construction Departments are assessing what, if any, additional capital improvements are necessary at the development. Possible future improvements may include more efficient approaches to trash removal and provision of building supplies, as well as additional site security measures.

## **FIRE LANE HISTORY**

After several phases of comprehensive modernization at Dearborn Homes, property management and the Asset Management Department (“Asset Management”) requested that the Capital Construction Department (“CCD”) review the fire lanes traversing throughout the property to improve site drainage, eliminate water “ponding” issues after storm events, and improve pavement surfaces that were cut in many locations from the recent rehabilitation activity, contributing to the site drainage issues. The rehabilitation left many of the fire lanes with ponding areas that will accumulate water and sometimes freeze during winter conditions, resulting in some hazardous conditions for residents and the neighborhood. The parties agreed to address the fire lanes once the rehabilitation was completed so as not to damage any newly installed fire lanes. CCD and Asset Management worked with the Prime Design Consultant, Hasbrouk Peterson Zimoch Sirrattumrong (“HPZS”) to come up with a solution that addresses these concerns.

## **EXISTING CONDITIONS**

Ponding continues to be a problem throughout the property, concentrating at the existing fire lanes at Dearborn Homes. There are:

- Drainage issues at the north end of the fire lane.
- Drainage issues adjacent to Chicago Park District property.
- Drainage issues at the south end of the fire lane.

Two (2) options have been presented to address the continuing drainage problem at Dearborn Homes’ fire lanes:

*Option A (renovate the fire lanes)*

- Improve site drainage characteristics and eliminate safety concerns from poor drainage, especially in the winter months when ponding water will freeze, creating slip and fall incidents for the residents.
  - Install additional storm piping and basin to reduce drainage issues.
  - Improve pavement slopes and drainage characteristics.
  - Improve pedestrian circulation by better alignment of sidewalks with ramps and crosswalks.
  - Install “loading areas” and signage on the fire lane to assist residents.
  - Initial capital investment cost of \$1,437,500.

*Option B (maintain current conditions)*

- Continue current practice of managing the ponding areas by repeatedly pumping out the “ponded” areas.
- Increased operational costs for pumping out ponded areas, and in the winter months increased costs to mitigate icy areas by the property manager.
- Continued drainage issues
- Potential liabilities for slip, trip and fall incidents
- Advantage would be no capital investment cost

The Capital Construction Department recommends renovating the fire lanes (Option A).

- Increases the performance of storm water management by removing storm water at a greater rate than currently being experienced.
- Eliminates water “ponding” and icy areas.
- Improves alignment with sidewalk ramps and crosswalks.
- Provides “loading zones” for residents, with signage to improve management by the property manager on vehicles parking in the fire lane and blocking access for emergency vehicles.
- Has the support of Asset Management and property management.

The work will include, but not be limited to:

- Demolishing and removing old pavement surface.
- Installing storm piping and a storm retention basin.
- Installing new concrete pavement.
- Site restoration along the fire lane area.

The construction duration will be six (6) months from issuance of the Notice to Proceed (“NTP”). All fire lane construction will commence at NTP and will contain three (3) phases of construction. Phase 1 will be the East fire lane, Phase 2 will be the West fire lane and Phase 3 will be along the Chicago Park District’s property. No resident relocation will be required for the duration of the project. The General Contractor will be required to maintain trash and emergency services to the property during the entire duration of the project.

## **PROCUREMENT HISTORY**

The CHA advertised Invitation for Bid No. 12-00884 on January 31, 2012. Advertisements ran in the Chicago Sun-Times, the Chicago Defender, Extra, on the CHA website and on BuySpeed Online. The Pre-Bid meeting and the Site Visit were held on February 9, 2012. Addendum No. 1 was issued on February 13, 2012 to distribute revised drawings that included a plat of survey and technical specifications. On February 22, 2012, Addendum No. 2 was issued to respond to Requests for Information. The CHA received and opened six (6) bids on March 1, 2012.

After performing an initial review of the bid submittal materials, the Department of Procurement and Contacts ("Procurement"), Asset Management and CCD held a pre-award survey/clarification meeting with the apparent low bidder, Pan Oceanic Engineering Co. Inc. The representatives of that firm responded to questions on the thoroughness of their bid, how they developed their Division Costs, the amount of work they planned to self-perform, the method they would use in phasing the project to avoid interrupting resident access, safety on the job site, especially for children, and removal of trash for those affected construction areas. A Compliance Specialist reviewed the firm's compliance materials in detail.

Pan-Oceanic Engineering Co. is a new vendor to the CHA. CCD staff has reviewed and called references provided by Pan-Oceanic Engineering Co. Currently, Pan-Oceanic Engineering Co. is performing a project for the Chicago Department of Transportation ("CDOT") entitled Roadway Reconstruction Cermak Road/Blue Island. This is a pilot program utilizing LEED fundamentals using Green and regional materials. The contract amount for the roadway reconstruction is \$8,094,040.40. The scope of work is similar to the project at Dearborn Homes fire lanes. They both include curbs and gutters, street lighting and road replacement. CCD checked references and found Pan-Oceanic Engineer Co.'s performance to be satisfactory. Pan-Oceanic Engineer Co.'s financials have been fully analyzed and find to be acceptable.

Having completed its review of the bid materials of the apparent low bidder, the CCD staff recommends that Pan-Oceanic Engineering Co. be awarded a contract for this work. Procurement has completed its own review of the bid materials and CCD's recommendation, and has determined that Pan-Oceanic Engineering Co. is the lowest responsive and responsible bidder at \$1,437,500.00.

## **CONCLUSION**

Based on the foregoing, the CHA recommends that the Board of Commissioners authorize the Chief Executive Officer or his designee to enter into a contract with Pan-Oceanic Engineering Co. in the amount of \$1,437,500.00 for fire lane renovations at Dearborn Homes, a Family housing development located at 2960 S. Federal Street in Chicago, IL. Work is to be completed by no later than one hundred eighty (180) calendar days from the date set forth in the Notice to Proceed.

This award is subject to the Contractor's compliance with the CHA's MBE/WBE/DBE, Section 3 resident hiring, and bonding and insurance requirements.



**RESOLUTION NO. 2012-CHA-26**

**WHEREAS,** the Board of Commissioners has reviewed the Board Letter dated April 11, 2012, entitled "AUTHORIZATION TO ENTER INTO A CONTRACT WITH PAN-OCEANIC ENGINEERING CO., INC. FOR THE RENOVATION OF THE FIRE LANES AT DEARBORN HOMES (2960 S. FEDERAL STREET)";

**THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY**

**THAT** the Board of Commissioners authorizes the Chief Executive Officer or his designee to enter into a contract with Pan-Oceanic Engineering Co., Inc. in the amount of \$1,437,500.00 for the renovation of the fire lanes at Dearborn Homes, a family housing development located at 2960 S Federal Street in Chicago, IL. Work is to be completed by no later than one hundred eighty (180) calendar days from the date set forth in the Notice to Proceed.

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